

ROYALTY POLICY BOARD PURPOSE, RESPONSIBILITIES AND PROCESSES

Purpose

The Royalty Policy Board (RPB) is established to develop royalty program policy to assure that the Minerals Management Service (MMS) is responsive to the myriad interests in mineral royalty administration that include the Department, Indian lessors, States, industry, courts and Congress. The RPB reviews options for important royalty issues, deliberate, and decide on appropriate Royalty Management Program (RMP) and MMS actions when consensus within MMS cannot be reached. The RPB will provide the program with improved royalty compliance effectiveness by clarifying policy issues resulting in more accurate and timely reporting.

Responsibilities

1. Act as decision making body to review, discuss, evaluate and decide policy decisions on proposals aimed at improving the RMP. This involves addressing confusing or unclear issues that promote policy misinterpretation and conflicting guidance.
2. Involve other bureaus in decision making policies where applicable.

Royalty Policy Board Process

1. Outstanding issues identified and prioritized. Issues can be identified by any group. Issues for consideration should be forwarded to the respective Associate Director (AD).
2. A subject matter expert will be identified. Subject matter expert prepares issue/problem statement, background section, identifies all known options, and establishes possible pros and cons for each option.
3. A preliminary draft option paper containing all known options is sent out for review to all affected parties, including States and Tribes. This will provide all groups involved with the opportunity to consider all the options and to provide comments.

Each party will be responsible for notifying the subject matter expert of their intentions; either no comment, revising option, or developing new option, and returning to subject matter expert within a specified time.

4. Subject matter expert incorporates comments and any additional options into a second draft option paper.
5. The second draft, containing all options and comments, is again sent to each party for review/comment to ensure options are accurately explained and fairly represented.
6. Each group (Policy and Management Improvement (PMI), RMP, States, Tribes, Office of the Solicitor (SOL), etc.) will then select one option it supports. All other options will be removed from the draft report. Note: If consensus is reached at this point by all parties involved, the issue will not be forwarded to the RPB.
7. Final option paper submitted to the RPB 7 days prior to meeting.

8. Each party identifies a representative to present its option to the RPB. Presentations may be made by video- or teleconference. Presentation of options will be followed by a question and answer session. Minutes will not be taken.
9. The RPB members deliberate options and decide on appropriate guidance, preferably the same day or within 1 week of briefings. Subject matter expert will attend the RPB deliberations in order to prepare guidance memo.
10. Subject matter expert will draft guidance memo and distribute to all parties for comment. Comments will be due in 1 week. Comments from non-RPB members must be limited to legal and regulatory issues. Comments involving policy, procedural issues, and personal preferences will not be considered. Revisions will be made where appropriate. Draft will be resubmitted to all parties. Additional comments will be due in 1 week. Draft will be forwarded to RPB in 1 week for final approval. Final approval will be given by the RPB.
11. The guidance memo will be finalized by the subject matter expert within 1 week and forwarded to the Deputy Director for signature. The memo will be issued to both AD/PMI and AD/RMP as well as being posted on the MMS Pipeline.

Representation

The RPB will be composed of the following members:

- Deputy Director, Minerals Management Service
- Associate Director for Policy and Management Improvement
- Associate Director for Royalty Management

Note: The RPB may request the presence of the Solicitor when needed. For issues involved in appeals, a company may request or can be requested to give a briefing before the RPB.

Chairperson

The Deputy Director, Minerals Management Service or his/her appointee will serve as the chairperson.

Meetings

The RPB meetings will be held as needed depending on the urgency of required actions. Time necessary for preparation of issues and identification of options will be a consideration. Subsequent meetings will thereafter be held as dictated by policy resolutions.